



FOR CLERK USE ONLY
 City Council
 Item No. 8

CITY COUNCIL AGENDA FACT SHEET

Administration

June 9, 2010

Department

Requested Date

1. **Request:**Council Approval ☐Information Only/
Presentation ☐Other (specify) ☒Hearing ☐2. **Requested Action:**

Discussion related to request by Heffernan Memorial Healthcare District for funds from the Calexico Special Financing Authority.

3. **Fiscal Impact:**

Revenue:

Increase ☐Source: Decrease ☐Amount:

Cost:

Increase ☒Source: Decrease ☐Amount: Does Not Apply ☒4. **Reviewed By:**Finance Dept. on By: Comments: City Attorney on By: Comments:

Note: Back up must be submitted along with this form. Deadline is 5:00 p.m., 2 Fridays before the scheduled meeting date.

CLERK USE ONLY:CITY COUNCIL DATE: Action ☒Filing ☐Consent ☐Presentation ☐Hearing ☐Other(specify) Reviewed by: City Clerk City Manager Date Date

**CITY COUNCIL
AGENDA REPORT**

**SUBJECT: DISCUSSION RELATED TO REQUEST BY HEFFERNAN
MEMORIAL HEALTHCARE DISTRICT FOR FUNDS FROM THE CALEXICO
SPECIAL FINANCING AUTHORITY**

AGENDA DATE: June 15, 2010

**PREPARED BY: Jennifer M. Lyon, City Attorney (at the request of Councilman
Romero)**

APPROVED FOR AGENDA BY: Victor Carrillo, City Manager

RECOMMENDATION: Consider and discuss the attached letter and provide
direction to City Council appointees of the Callexico Special Financing Authority.

FISCAL IMPACT: No fiscal impact to the City. Any funds allocated to Heffernan would
be from the Callexico Special Financing Authority (SFA). The funds from the SFA can
be used for providing healthcare services to the citizens of Callexico.

DISCUSSION (Current consideration):

The attached letter includes a request by the Heffernan District to the SFA to provide
\$800,000.00 in funds to Heffernan. In order for the SFA to provide such funds, both City
Council appointees to the SFA must vote in favor of providing the funds at a SFA
meeting. This matter is before the Council for discussion and for the Council to provide
direction to the two councilmembers who are appointees to the SFA.

Attachment:

- 1. Heffernan Letter**

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HEFFERNAN MEMORIAL



HEALTHCARE DISTRICT

101 W. HACIENDA DRIVE, SUITE 9

CALEXICO, CALIFORNIA 92231

TELEPHONE (760) 357-6522

May 28, 2010

HAND DELIVERED

Calexico Special Financing Authority
101 W. Hacienda Drive, Suite 9
Calexico, CA 92231

Attention: Daniel Romero, Chair

Re: Heffernan Memorial Health Care District Urgent Care Initiative

Dear Mr. Romero:

The Heffernan Memorial Healthcare District ("HMHD") Board of Directors recently announced a series of short term initiatives to be pursued on a collaborative basis with other healthcare providers. The first initiative contemplates a partnering or similar relationship with an existing healthcare provider to provide 24 hour urgent care services to HMHD residents.

Furthering this initiative, HMHD issued a Request for Proposal ("RFP") to three parties on March 8, 2010. Two parties have responded with robust, promising proposals. The HMHD Board and its consultant, Strategic Medical Properties, have reviewed these proposals, requested supplemental information for clarification purposes, and interviewed each party. Through this process HMHD has been able to quantify the financial support that will be required to partner with one of the respondents to provide 24 hour urgent care services.

HMHD intends to enter into a two year financial support agreement with one of the respondents for this initiative at an approximate cost of \$400,000 per year. The financial support provided by HMHD will allow the selected provider / partner to provide urgent care access, in Calexico 24 hours per day, 7 days per week.

Mr. Romero
May 28, 2010
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Since the closing of Heffernan Memorial Hospital, efforts to provide full-time urgent care service have been thwarted because the currently projected volume of patients anticipated after hours and the related revenue generated would not alone be sufficient to cover additional expenses. The HMHD Board believes that, once full time urgent care services are available locally and marketed appropriately, utilization during off hours will increase.

In the near term, however, the Board views its role in this process as an essential bridge to establishing this needed service. Additionally, HMHD is the only tax-supported entity in southern Imperial County with clear legal authority to use unspent sales tax proceeds remaining after the HMHD debt retirement obligations were fulfilled. As well, those proceeds by law must be spent for purposes directly related to HMHD's mandated purposes. In other words, there must be a direct healthcare benefit to the District's residents flowing from these expenditures. The HMHD Board has determined that this urgent care initiative falls well within its healthcare mandate.

For these reasons, in anticipation of the final selection of a partner for the provision of this heightened level of urgent care in the District, I am requesting that the Calexico Special Financing Authority consider authorizing the disbursement of \$800,000 to cover the two year financial commitment. The HMHD Board expects to make its partnership selection within the next ten days, and it is essential to have the Authority's assurance that funding for this initiative is available, before the final selection is made and finalized.

HMHD is excited about being the impetus for keeping an urgent care center open 24 hours per day, 7 days per week in the City of Calexico and looks forward to observing the positive influence and improved access to healthcare that such a service will have on the residents within the District.

Very truly yours,

Heffernan Memorial Healthcare District Board of Directors

By:

Sylvia Bernal, President

cc: Frank Oswalt (via facsimile (760) 353-8235)
HMHD Board of Directors